

SCHEDULE 1 -- GAS PRODUCT ALLOWANCE COMPUTATION SHEET

PAYOR NAME AND CODE _____ / _____

PLANT NAME & OPERATOR _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PRODUCT CODE: _____

PERIOD: (mm/dd/ccyy) _____ to _____

(a)

(b)

(c)

(d)

Lease
Number

Agreement
Number

Sales
Quantity

Non-Arm's-Length
Processing
Costs (\$)

TOTALS

TOTALS

Enter as the non-arm's length Product Processing Allowance Rate the unit processing cost [total non-arm's length processing costs (column d) divided by total sales quantity (column c)] _____. The allowance rate is to be carried to 6 decimal places; i.e., 0.574635.

THIS INFORMATION SHOULD BE CONSIDERED (Please check one)

☐

PROPRIETARY

☐

NONPROPRIETARY

INSTRUCTIONS FOR COMPLETING FORM MMS-4109, SCHEDULE 1

Schedule 1 is used to determine the processing allowance rate for a plant product based on actual cost.

Enter the same payor name, payor code, and payor address as used on Page 1 of Form MMS-4109.

Enter the plant name and operator. If extraction and fractionation takes place at separate facilities, enter the plant name and operator of each facility. Enter the product code for which the allowance rate will apply.

Enter the reporting period. The reporting period must be the same period shown in item 5 on Page 1 of Form MMS-4109.

Instructions for Computing the Processing Allowance Rate for a Plant Product

For each Lease Number and Agreement Number (if applicable), combination under which the plant product is reported:

- a. Enter the same Lease Number as used on Form MMS-2014.
- b. Enter the same Agreement Number (if applicable) as used on Form MMS-2014.
- c. Enter the total sales quantity reported under this Lease Number/Agreement Number (if applicable) during the reporting period. The total sales quantity is determined by summing the monthly sales volumes reported on Form MMS-2014, column 15, during the reporting period.
- d. If the costs or a portion of the costs for processing the plant products were incurred under non-arm's-length or no contract conditions, enter the total non-arm's-length processing costs determined by multiplying the sales quantity in column c by the processing allowance cost per unit from Schedule 2, line 5.
- e. Sum the sales quantity (column c) and processing costs (column d) and enter under columns c and d on the total line of the last page of Schedule 1.

Compute the non-arm's-length processing allowance rate for the product on the last page of Schedule 1. The non-arm's-length processing allowance rate is the unit processing cost. The non-arm's-length unit processing cost is determined by dividing the total non-arm's-length processing costs (column d total) by the total sales quantity (column c total). (Note: This allowance rate should be carried to 6 decimal places; i.e., 0.574635.)

(Note: the total processing allowance deduction (arm's-length and non-arm's-length) claimed on the Form MMS-2014 based on an individual product may not exceed 66 2/3 percent of the value of each gas plant product determined under § 206.174. Before you calculate the 66 2/3 percent limit, you must first reduce the value for any transportation allowances related to post-processing transportation authorized under § 206.177.)

Indicate by checking the appropriate box whether the information should be considered proprietary or nonproprietary.